



## **Economic Impact Analysis Virginia Department of Planning and Budget**

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### **Proposed Board of Architects, Professional Engineers, Land Surveyors, and Landscape Architects (APELSLA) Rules and Regulations, 18 VAC 10-20-10; Department of Professional and Occupational Regulation (DPOR)**

August 12, 1998

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The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 9-6.14:7.1.G of the Administrative Process Act and Executive Order Number 25 (98). Section 9-6.14:7.1.G requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply; the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. The analysis presented below represents DPB's best estimate of these economic effects.

### **Summary of the Proposed Regulation**

The proposed regulation revises current regulations regarding the licensure of Architects, Professional Engineers, Land Surveyors, and Landscape Architects. Many of the proposed revisions are simply clarifications of existing requirements. Those proposed revisions likely to have economic consequences are as follows:

- requirements for the Fundamentals of Engineering exam would be changed to permit applicants who are within 12 months of completion of an Accreditation Board for Engineering and Technology

(ABET) approved undergraduate curriculum, or within six months of completion of an ABET approved graduate curriculum, to take the exam;

- requirements for land surveyor-in-training status would be revised to allow individuals who are within 12 months of completion of a Board approved surveying curriculum to take the Fundamentals of Surveying exam and to generally reduce the amount of approved land surveying experience required as a prerequisite for taking the exam;
- provisions for certification of interior designers would be amended to eliminate graduation from professional programs as an option for satisfying the education requirement, eliminate periods of self employment as an option for satisfying the experience requirement, and delete the requirement that applicants supply three references;
- provisions for registration as a business entity would be revised to eliminate the requirement that “not less than 2/3 of the general partners shall be licensed professionals;”
- language would be added stipulating that reinstated licenses “shall be regarded as having been continuously licensed without interruption;”
- provisions for standards of conduct would be revised to require regulants to notify the Board within 30 days of any change of address.

## **Estimated Economic Impact**

The primary economic consequence of the proposed regulation would be that it would have minor effects on the compliance costs faced by the regulatory community. In the main, these effects will tend to reduce regulatory compliance costs. The proposed changes in the prerequisites for the Fundamentals of Engineering exam and land surveyor-in-training status, as well as elimination of the business entity registration requirement that two thirds of the business’ general partners be licensed professionals, will all serve to increase the compliance options available to the regulated community. This increase in available compliance options can in no way increase, and may decrease, the compliance costs faced by regulated entities.

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Three of the proposed revisions will have the effect of slightly increasing regulatory compliance costs however. The proposal to require notification of the Board within 30 days of any change of address represents a new requirement and would generate a straightforward increase in regulatory compliance costs. In addition, the proposed elimination of graduation from other professional programs as an option for satisfying the education prerequisites for interior designers and the proposed elimination of self employment as an option for satisfying the experience prerequisites for interior designers will both serve to decrease available compliance options, thereby potentially increasing regulatory compliance costs.

On net, the proposed revisions to the regulation are likely to reduce overall compliance costs by small amount. It is unlikely, however, that this reduction will be of sufficient magnitude to affect the underlying economic characteristics of these professional markets --- that is to say, they are unlikely to affect either employment or the price of services.

### **Businesses and Entities Particularly Affected**

The proposed regulation particularly affects the approximately 24,550 licensed and certified professionals and 1,948 registered entities and branch offices regulated by the Board, as well as the general public.

### **Localities Particularly Affected**

No localities are particularly affected by this proposed regulation.

### **Projected Impact on Employment**

The proposed regulation is not anticipated to have a significant effect on employment.

### **Affects on the Use and Value of Private Property**

The proposed regulation is not anticipated to have a significant effect on the use and value of private property.

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## Summary

The proposed regulation revises current regulations regarding the licensure of Architects, Professional Engineers, Land Surveyors, and Landscape Architects. Many of the proposed revisions are simply clarifications of existing requirements. The net effect of those proposed revisions that can be reasonably expected to have economic consequences is likely to be a small reduction in the overall compliance costs faced by the regulated community. It is unlikely, however, that this reduction will be of sufficient magnitude to affect the underlying economic characteristics of these professional markets --- employment and the price of services.

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